



Public Employee Retirement System of Idaho

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO  
607 North 8th Street  
BOISE, IDAHO 83702

MINUTES OF  
MEETING OF RETIREMENT BOARD

The Board of the Public Employee Retirement System of Idaho met at the PERSI Administration Building, 607 North Eighth Street in Boise, Idaho at 8:30 a.m., December 5, 2017. The following members were present:

Jeff Cilek  
Kirk Sullivan  
Joy Fisher  
Celia Gould  
Park Price

Executive Director Don Drum, Chief Investment Officer Bob Maynard, Investment Officer Richelle Sugiyama, Deputy Director Michael Hampton, Financial Executive Officer Alex Simpson, and Deputy Attorney General Cheryl George were also in attendance. Other persons attending all or portions of the meeting were:

Liz Smith	Alliance Bernstein	Dwight Churchill	PERSI
Fred McCrea	Mellon Capital	Bill Raver	PERSI
Paul Yett	Hamilton Lane	Robert Storer	PERSI
Brandon Fitzpatrick	DB Fitzpatrick	Lena Rupp	PERSI
Dennis Fitzpatrick	DB Fitzpatrick	Larry Sweat	PERSI
Robert Schmidt	Milliman	Kelly Cross	PERSI
Jeff Bradley	Milliman	Brenda Cronin	PERSI
Jim Brecker	Mondrian	Kelly Rowlands	PERSI
Chris Brechbuhler	Clearwater	Andrea Fannesbeck	PERSI
Richard Lin	Clearwater	Casey Hartwig	PERSI
Bruce Reeder	Mountain Pacific	Diane Kaiser	PERSI
Chelsie Wasden	Mountain Pacific	Cecile McMonigle	PERSI
Bill Palumbo	Mountain Pacific	Rose Marie Sawicki	PERSI
Matt Lindstrom	Mountain Pacific	Adel Stacy	PERSI
Chris Anton	EFIB	Branden Kennah	PERSI
Larry Jonson	EFIB	Elizabeth Conner	PERSI
Tony Wilkinson	BNY Mellon	Darrin Turnbull	PERSI
Jack Boren	Epic Ventures	Kathy Adams	PERSI
Glen Carlson	Brandes	Carmen Brooks	PERSI
Greg Allen	Callan	Mike Mitchell	
Ann Posey	Callan	John Jenks	
Michael Torres	Adelante	Garret Walls	
Jeung Hyun	Adelante		

Chairman Cilek called the meeting to order at 8:30 AM. He welcomed everyone to the meeting.

### Executive Session

At 8:32 AM, Chairman Cilek stated the Board intended to move to Executive Session in accordance with Idaho Code 74-206(1)(f), to **communicate with the Board's legal counsel on the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated.** Trustee Price made a motion to go into executive session. Trustee Fisher seconded the motion and the Board voted unanimously via roll call vote.

Upon conclusion of the Executive Session, Trustee Sullivan made a motion to return to regular session. Trustee Gould seconded the motion, which passed unanimously.

### REGULAR SESSION

The Board was called back into regular session at 9:03 AM and members of the public were invited into the boardroom. Chairman Cilek stated that during the executive session the Board made no decisions.

### Approval of the Minutes

**Trustee Fisher made a motion to approve the minutes from the October 17, 2017, Regular Board meeting as well as the minutes of the November 29, 2017, Special Meeting. Trustee Gould seconded the motion and the motion passed unanimously.**

### Monthly Portfolio Update

Bob Maynard gave the investment update; the market continues to be stable; returns remain well above the median. The PERSI portfolio is exactly where the Board wants it to be at this time and is well diversified. The current value of the fund is as follows:

Month to Date Report		November 30, 2017
<b>CURRENT VALUE OF THE FUND</b>	<b>\$</b>	<b>17,283,423,429</b>
<b>FISCAL YEAR NET CHANGE IN ASSETS</b>	<b>\$</b>	<b>899,824,029</b>
<b>FISCAL YEAR TO DATE RETURNS</b>		<b>6.4%</b>
<b>MONTH TO DATE RETURNS</b>		<b>1.6%</b>

### Hamilton Lane presentation

Paul Yett of Hamilton Lane began by referring to the Portfolio Snapshot on Page 3:

Portfolio Snapshot			
\$ in millions	3/31/2017	6/30/2017	Change
Active Partnerships	60	61	1
Legacy Partnerships <sup>1</sup>	19	21	2
Active GP Relationships	25	26	1
Legacy GP Relationships	5	5	-
Capital Committed <sup>2</sup>	\$2,800.3	\$2,950.8	\$150.5
Unfunded Commitment	\$684.1	\$805.2	\$121.1
Paid-in Capital	\$2,353.6	\$2,394.2	\$40.6
Capital Distributed	\$2,244.3	\$2,303.8	\$59.5
D/PI Ratio	0.95x	0.96x	0.01x
Market Value	\$1,007.6	\$1,025.9	\$18.3
Total Value Multiple	1.38x	1.39x	0.01x
Since Inception IRR	8.22%	8.31%	9 bps
Avg Age of Active Commitments	8.6 years	8.8 years	0.2 year

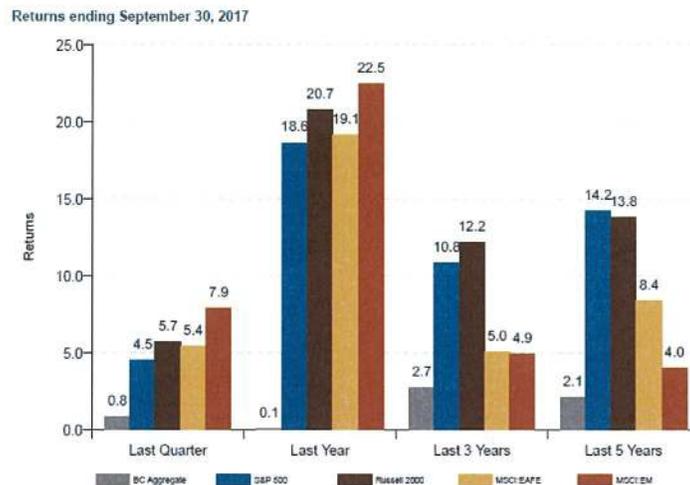
Trustee Price asked what impact the newly passed Federal tax bill may have on PERSI's portfolio. Mr. Yett responded that if the final approved bill contains only interest rate deductibility; there could

be a negative impact. However, if the final approved bill lowers the corporate tax rate and the interest rate deductibility is kept in, there will be a slightly positive impact. If just the lower corporate rate is included, the expectations are that the market would respond positively.

Callan Presentation

Greg Allen told the Board that there has been a leadership update at Callan and that he is now CEO, President and Chief Research Officer. The reason for this was to get more executives out in the field with the fund managers.

Mr. Allen then addressed the market performance by reviewing the following:



Mr. Allen also said that Callan is conducting a “Callan College” on April 4 and 5, 2018, in Boise and he encourages everyone to attend.

Investment Advisor Agreements

Investment Officer Richelle Sugiyama presented the Investment Advisor Agreements and explained to the Board the importance of these documents. She introduced each manager: Dwight Churchill, Bill Raver, John Jenks, Bob Storer, and Garrett Walls. These managers are necessary to maintain business, conduct research and provide an emergency back-up in the event either she or Bob Maynard were unable to do their jobs.

**Approval of Investment Advisor Agreements: Trustee Gould made the motion to approve the Investment Advisor Agreements as presented. Trustee Fisher seconded the motion and the motion passed unanimously**

Investment Manager Comments:

The Investment managers who were present shared their opinions and predictions relative to the general market conditions.

Executive Director Update

Executive Director Drum announced that the Pocatello/Chubbuck Auditorium District which has 7 employees, is the newest employer to requesting to join PERSI.

**Approval of New Employer: Trustee Sullivan made a motion to approve the Pocatello-Chubbuck Auditorium District as the newest member to PERSI. Trustee Price seconded the motion and the motion passed unanimously.**

Deputy Director Update

Deputy Director Mike Hampton reviewed the Choice Plan document changes that were given to the Board in their packet. This change will allow for "in-service" distributions as an option for those that are 70.5 or older. These individuals will not be required to take a distribution, but this provides them the choice to do so if they wish.

**Approval of Choice Plan changes: Trustee Fisher made the motion to approve the Choice Plan changes as proposed. Trustee Price seconded the motion and the motion passed unanimously.**

Disability Request Hearing: Rodney Mason

Deputy Attorney General Cheryl George provided background on Mr. Rodney Mason who was denied PERSI disability by a Hearing Officer in April, 2017. He then petitioned the PERSI Board for an appeal and his case is now before the Board for a decision.

**Approval of granting PERSI disability to Rodney Mason: Trustee Gould made the motion to approve PERSI Disability to Rodney Mason. Trustee Fisher seconded the motion and the motion passed unanimously.**

Rules on PERSI Contribution Rates

Deputy Attorney General George reviewed the proposed temporary rule to delay the rate increase. After the 2018 Legislative session concludes, the temporary rule can be adopted as presented.

**Approval of temporary rule: Trustee Fisher moved to adopt the temporary rule as requested by Deputy Attorney General George. Trustee Sullivan seconded the motion and the motion passed unanimously.**

Fiscal

Financial Executive Officer Alex Simpson presented the fiscal update. There were no questions from the Board. Mr. Simpson then presented the annual CAFR to the Board and he thanked all of the PERSI staff who worked diligently to produce this report.

Board Room Dedication and Reception for Retiring Chairman Jody Olson

Chairman Cilek thanked former Chairman Jody Olson for his 30 years of dedication to PERSI and his hard work. Executive Director Drum also thanked former Chairman Olson and gave a presentation on the accomplishments of Mr. Olson during his tenure.

The Board moved to recess at 10:45 AM for a reception for Mr. Olson and will adjourn at 2:00 PM

  
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Don Drum, Executive Director      Date

 01-16-18  
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Jeff Cilek, Chairman      Date